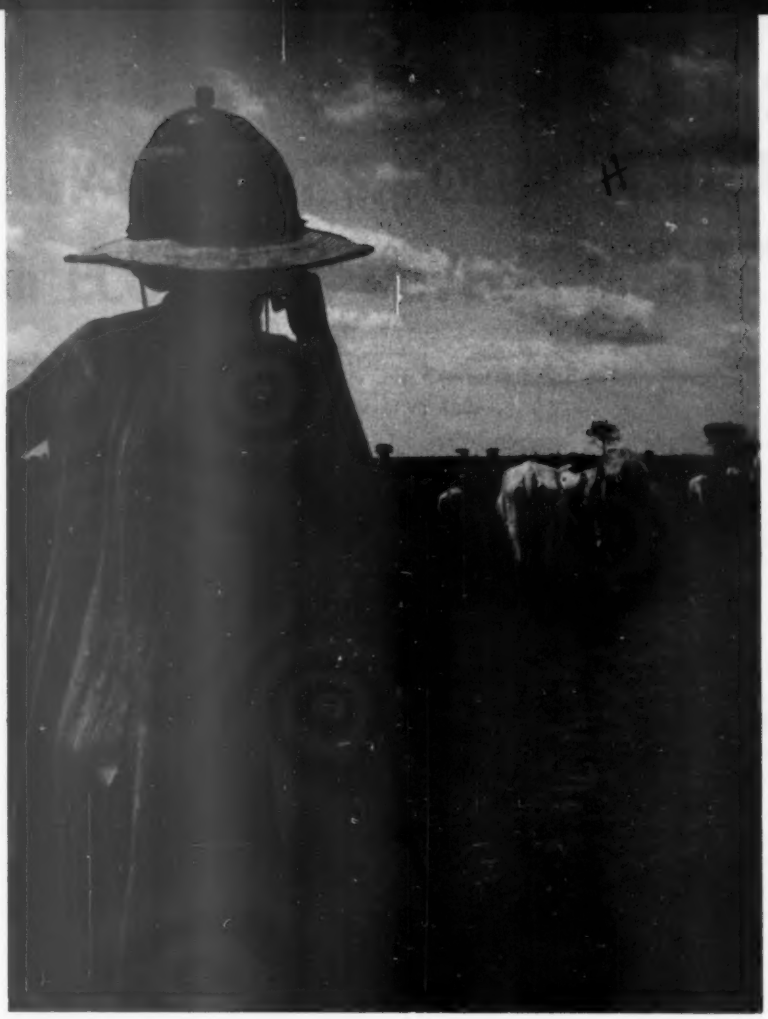

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Nomadic herdsmen, Africa. Poor cattle grazing on scanty pastures are a common sight in north-central Africa. Such animals are easy prey for area's widespread diseases.

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AGRICULTURE'S ROLE in ECONOMIC DEVELOPMENT

By WALT W. ROSTOW, *Counselor and Chairman Policy Planning Council, U.S. Department of State*

"Economic development" is a term that conjures up in our minds a picture of steel mills, oil refineries, electric power plants, and other glamorous symbols of industrialization. And well it might. Industry is essential to the development process. But so is agriculture. Radical improvement of agriculture in Asia, Africa, and Latin America is, I am convinced, a fundamental condition for the maintenance of a high rate of development in those regions, especially their industrial development. It follows, therefore, that the United States, in sharing its agricultural technology with the emerging countries, is making a most effective contribution to their growth.

In emphasizing the critical importance of agriculture in economic development as a whole I am returning to a proposition set forth almost two centuries ago by Adam Smith in his *Wealth of Nations*. Smith argued that agricultural output is, in its widest sense, the basic working capital of a nation in its early stages of growth.

Agriculture needed for growth

Agriculture has three distinct but essential roles to play in promoting growth.

First, agriculture must supply the food required by rapidly expanding urban populations in the developing countries. If the demand is not met, there may be hunger—even starvation; or food must be acquired from abroad, which depletes the foreign exchange needed to import industrial equipment and raw materials.

Second, agricultural expansion is required as working capital for nonagricultural development—to generate raw materials for industry, to earn foreign exchange, and to free labor from agriculture and make it available for industrial construction and operation.

Third, a rise in agricultural incomes stimulates other aspects of development. It provides the capital accumulation needed for further growth, through savings required for investment or as a critically important source of increased tax revenues. It also provides expanded markets for industry—chemical fertilizers, agricultural equipment, and manufactured consumers' goods.

China's mistake

Communist China is an example of what happens when these dynamic interactions between industry and agriculture are ignored or are inadequately respected.

The Communist Chinese regime committed itself in the 1950's to a program of heavy industrialization linked to modernization of its military establishment. It substituted

Hydroelectric project, India: agricultural growth frees workers for industrial development.

for economic incentives the massive power of its control system; and substituted forced labor for an inadequate level of agricultural investment—notably investment in chemical fertilizers.

The upshot, carried to a rare extreme by a purposeful and unified group of wrong-headed men, was this: First, there was a breakdown in agricultural supplies, such that the whole vast Communist Chinese nation is living at a substandard diet and almost half of its foreign exchange—about $500 million—must now be allocated to buy food abroad for the coastal cities. Second, there has been a breakdown in capacity to supply industrial materials from agriculture to its industry and in its ability to earn foreign exchange from its agricultural sector. (Chinese Communist exports dropped by almost 50 percent between 1959 and 1962.) Third, there has been a reduction in total resources available for the industrialization process itself. Industrial output in Communist China radically declined between 1959 and 1962, perhaps by 30 percent.

The measures taken to correct this gross distortion in the Chinese Communist development process have not succeeded in producing anything like a sustained industrial revival, although disintegration has been halted. Many plants are idle or working under capacity. Millions of men and women have been thrust out of the cities and back to the rural areas to fend as best they can, among them many of the most skilled workers and technicians. With private incentives only partially restored in agriculture, the Chinese peasantry and the immigrants from the cities are struggling to keep body and soul together.

One horse pulling strongly

Nowhere in the Free World has there been a failure quite as dramatic as that of Communist China, but one can see a pattern of severe structural distortion in a good many countries. In a number of developing nations in Asia, Africa, and Latin America, economic growth has taken hold in certain regions and certain urban sections, with a marked lag in the development of the rural areas. Figuratively speaking, one horse of the team is pulling strongly, but the other is performing only half-heartedly.

Perhaps this lack of balance between growth of the industrial and agricultural sectors was to be expected. Many new governments, in their desire for rapid industrialization, seem to feel that emphasis on improvement of agriculture is a kind of neo-colonialism that is to be avoided. Politicians' natural tendencies to think along these lines have been bolstered by the attitudes of constituencies that are made up mainly of city folk. Thus we see in most of the developing countries quite remarkable "islands" of industrial and modern urban activity coincident with stagnation or very slow progress in the rural areas.

What can be done to assure better balance between industry and the important agricultural sector?

Technical assistance to agriculture in developing countries must be high on any list. A great deal of work, in fact, is going forward, designed to accelerate the pace at which modern science and technology are brought effectively into both the production methods of rural life and its standards of welfare and of social development.

U.S. technical help

The United States, through the Agency for International Development, has almost 900 technicians in the emerging countries, sharing U.S. agricultural technology. Thousands of foreign technicians have visited the United States to observe at first hand U.S. production and marketing methods. The U.S. Peace Corps is assisting in this effort. U.S. foundations are helping. International efforts, such as the Freedom from Hunger Campaign of the Food and Agriculture Organization, are playing a part. The Colombo Plan is making a substantial contribution in Southeast Asia.

The brutal fact is, however, that the diffusion of modern methods in rural life is going too slowly for the good of the developing countries. It may be useful for those concerned to take stock out of what we have learned from experiments in various parts of the world and to consider explicitly how the diffusion process, now rather laborious and expensive, can be broadened and accelerated.

The role of the U.S. Food for Peace Program in helping the emerging countries feed their people, ward off inflation, and conserve foreign exchange has been important. Since 1954 U.S. farm products having an export value of over $12 billion have been shipped primarily to underdeveloped countries. This food, donated outright or sold on concessional terms, is helping the emerging countries supplement their own agricultural output during the agricultural improvement phase. But it is important to emphasize "supplement," because imported food for underdeveloped countries can be only a stop-gap measure. Population increases require enlarged output of indigenously produced supplies—and a more rapid transfer of technical knowledge.

Widening the market

We must not overlook a second economic proposition of Adam Smith. The proposition: That industrialization depends for its profit and momentum on a progressive widening of the market, with the specialization and efficiency that widening permits. In other words, if agriculture is developed at the same time as industry, farm people provide an important domestic market for the goods that industry produces—just as industrial workers provide a market for expanded agricultural output.

In many of the developing countries, industrialization is being dampened because a sufficiently wide popular market for manufactured goods is lacking. Also, an excessive proportion of industrial capacity is being devoted to producing goods for the relatively small urban middle class; consequently industry works with idle capacity, prices and tariffs are excessively high, and profits are not plowed back into industry.

Although various schemes for creating international common markets among developing nations commend themselves on various grounds—and deserve encouragement and support— I suspect that the most important task in most developing nations is to learn how to widen the

domestic market for the goods they produce themselves.

In certain of the developing areas, I think it would be helpful to encourage the manufacture and marketing in rural areas on a more effective basis of both cheap agricultural equipment and the kinds of consumer goods likely to constitute, at rural levels of income, an incentive to accept and to apply modern methods of agricultural productivity.

This kind of effort could put a nation's private industrial sector into the production and marketing of goods on a mass market basis, even in poor countries. I have in mind not merely textiles, but canvas shoes, flashlights, household equipment, transistor radios, and the classic, first-phase durable consumer goods—bicycles and sewing machines, as well as pails, tools, fertilizers, and other basic agricultural equipment and supplies.

In short, I am proposing that the experience pioneered in this country by the mail order houses, pioneered abroad in urban areas by Sears Roebuck and in rural areas by the Singer Sewing Machine Company, might have a real relevance to the structural problems now confronted in the underdeveloped areas.

I am, of course, conscious of the care with which any lesson of our own development experience should be applied in other societies with problems of a different kind. It is clear, for example, that there are very few developing areas where one could actually use the mail order catalog, giving the state of literacy and the postal services. Nevertheless, I think we ought to experiment with our friends in the developing countries to see what can be done within the set of conditions that exist.

Bettering rural life

Goods would bring something of modern life to the countryside and permit rural areas to share at least some of the fruits of the more modern sectors of a developing society and help reduce the excessive flow of people from the country to city slums. An Indian friend recently suggested that mobile film projection units in rural areas could significantly reduce the incentive of villagers to move to the cities.

I would say, on the basis of a preliminary examination of the practical problems, that what is required is that a foreign firm, experienced in mass production and marketing, link closely with local manufacturers and distributors. The foreign firm would help arrange for necessary market surveys and new methods of distribution—probably mobile stores transported in trucks. Arrangements would be made for a maximum volume of local manufacture, and financing would be organized to provide something like 3 to 5 years for the concept to take hold and profits to be made on a purely commercial basis.

I would make one additional observation: No form of foreign private enterprise is less likely to raise difficulties in developing nations than one which—in association with local people and institutions—aims to enlarge the production and distribution of consumer goods for the poor citizens and provide them the means for enlarging their agricultural output.

Effect on U.S. farm exports

Are we, in stimulating increased agricultural output, "cutting our own throats?" Are we, in other words, doing ourselves out of markets for our own farm products when we help the underdeveloped countries step up their production?

In the long run, U.S. agricultural exports should benefit greatly from economic development abroad. In the developing countries, the income elasticity for food is very high. As per capita incomes rise, there also would be a demand for some commodities which could not be supplied by domestic agriculture. Increased per capita incomes usually are followed by increased demand for protein foods. The United States is in an exceptionally good position to supply the coarse grains and protein feeds needed to support expanded herds and flocks in foreign countries—or to supply directly such protein foods as poultry, pork, and nonfat dry milk. The United States also is in position to supply raw cotton, tobacco, vegetable oils, and many other products. It has been our historical experience—and that of other nations—that economic growth enlarges the volume of commerce.

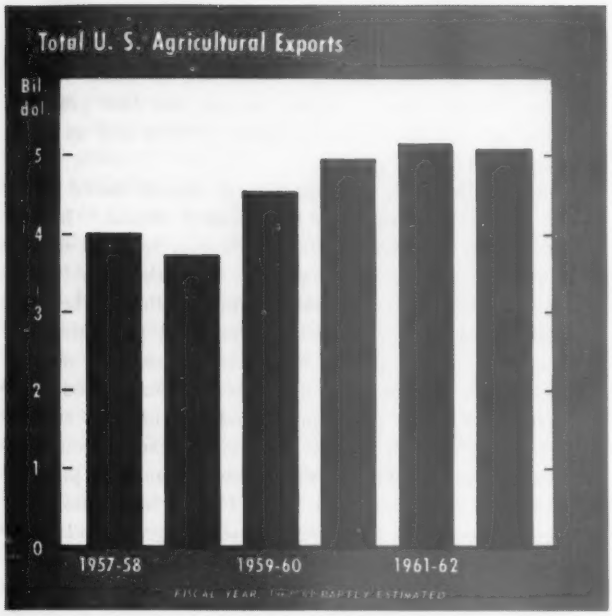
Balanced growth essential

The economic development "potential" of the underdeveloped countries is at a critical point today. Recent estimates of the Agency for International Development indicate that something like 70 percent of the population of the developing areas are already living in societies which have either demonstrated quite definitely a capacity to grow regularly, or, with some political stability and luck, ought to be emerging into that category in the years ahead. But that overall growth is unbalanced.

My basic point is that we have reached a point where we can no longer afford to regard industrial and agricultural development as simply competing for scarce capital resources. In many parts of the developing world the initial basis for take-offs has been established in industry and in urban areas, but the maintenance of that momentum requires that the diffusion of modern technology, with all that it carries with it, be extended on a national basis. It must be extended especially to the lagging rural areas which are, at once, a relatively untapped source of food, industrial working capital, foreign exchange earning capacity, taxes, and industrial markets.

Having established in the first postwar decade the foundations for take-offs in the developing areas, representing most of the relevant population, we must move on to nationalize the process if we would not risk frustrating the momentum already achieved.

FOOD FOR PEACE: During the month of July 1963, exports of U.S. agricultural commodities to underdeveloped countries under Title I of Public Law 480 amounted to 852,000 metric tons. Leading exports, in metric tons, were: Wheat 668,000; corn, 67,000; wheat flour, 45,000; rice, 38,000; and soybean oil, 15,000.



U.S. FARM EXPORTS AGAIN NEAR RECORD

By ROBERT L. TONTZ
and DEWAIN H. RAHE
Development and Trade Analysis Division
Economic Research Service

U.S. agricultural exports in the fiscal year that ended June 30 totaled $5,084 million, only one percent below last year's alltime high. But commercial sales for dollars, which account for 70 percent of the total, beat the record; so did exports of feed grains, oilseeds, and vegetables.

These high export levels occurred despite several major unfavorable developments in leading foreign markets. Of particular significance were the variable levies imposed by the European Economic Community in August 1962 on imports from outside countries. From then to May 1963, U.S. agricultural exports to the EEC declined 12 percent, to $903 million against $1,021 million a year earlier.

Commodities subject to the levies were down 27 percent as a group. U.S. broiler and fryer exports to the EEC dropped by two-thirds in August-May 1962-63 from a year earlier, and wheat flour exports by a third. A two-thirds decline in export of wheat, however, reflected mainly the record level of wheat production in the EEC; and except in April and May, feed grain exports to the EEC were well ahead of last year's level.

A second development unfavorable to U.S. trade was increased cotton production in the foreign Free World and reduced consumption in several major countries. The result was a substantial decline in U.S. cotton exports.

A major trade-crippling factor, although its effect was partly made up in later months, was the longshoremen's strike from late December to late January. Exports in January 1963 were $177 million less than a year earlier.

Were it not for these three developments total agricultural exports in fiscal 1963 would very likely have set a new record. Contributing to the near-record level were alltime highs in gold and dollar holdings in most countries that buy U.S. commodities with dollars; continued strong economic activity in industrialized countries; sales for foreign currencies to countries short of gold and dollar holdings; and market promotion activities.

Commercial sales for dollars even exceeded the record $3,486 million exported in the previous fiscal year, reaching an estimated $3,545 million. The principal dollar gainers were feed grains, soybeans, protein meal, rye, and vegetables. The overall increase was somewhat offset by sharp declines in cotton, wheat, and inedible tallow.

Exports under government-financed programs—accounting for 30 percent of the total—were an estimated $1,539 million compared with $1,655 million in 1962. Decreases occurred in barter, donations under Title II of Public Law 480, and Agency for International Development (AID) program shipments. Title I sales for foreign currency rose to a record $1.1 billion, and donations under Title III also increased. Shipments of feed grains, tobacco, cotton, and edible vegetable oils under government programs were smaller, while dairy products and rice gained.

Animals and products.—Exports of animals and animal products totaled $604 million compared with $627 million a year earlier. Principal declines were in sales of inedible tallow, mainly to Italy and Japan, and of variety meats and poultry meat, mainly to Western Europe. There was a substantial increase in exports of dairy products under government-financed programs. The volume of U.S. lard exports was up 11 million pounds; but with prices lower, little change in value resulted. Exports of inedible tallow and greases were hampered by the continuing shift to synthetic detergents for manufacturing soap, especially in Japan and Italy. USDA donations of butter and ghee to developing countries increased appreciably.

Cotton.—U.S. exports of cotton totaled 3.6 million bales—1.2 million less than the previous year. The decline resulted mainly from an increase of over 2 million bales in foreign Free World production; in addition, principal textile-producing countries operated to a greater extent from inventories, holding their cotton purchases to a minimum so as to benefit when the new U.S. cotton export

program went into effect August 1. Principal foreign outlets were Japan, the EEC, India, Korea, and Canada.

Fruits and preparations.—Exports of fruits and preparations—nearly all commercial sales—totaled $280 million, close to the $282 million of a year earlier. Exports of peaches were 15 percent above a year earlier and fruit cocktail exports ran 11 percent ahead. Demand for these products was stimulated by increased purchasing power in Western Europe and plentiful U.S. supplies at attractive prices. The increases, however, were offset by declines in exports of raisins, fresh apples, and fresh oranges.

Grains and preparations.—Exports of wheat and flour totaled 638 million bushels, somewhat below the previous year's record of 718 million. This decline reflected the large wheat harvest in most exporting and importing countries. About 75 percent of the wheat exports moved under government programs, mainly Title I. Principal foreign outlets were India, Pakistan, Brazil, Egypt, Yugoslavia, and Korea, with Japan the top dollar buyer.

Exports of feed grains—about 88 percent of them commercial sales—advanced to 15.3 million metric tons, exceeding the previous record of 14.7 million in fiscal 1962. Exports to the EEC were up substantially, reflecting poor crops in Italy and France and smaller availabilities of grain from other major exporting countries. Expansion of the livestock industry in Western Europe and Japan also contributed to larger U.S. exports. Principal foreign outlets for feed grains were the Netherlands, the United Kingdom, West Germany, Japan, Canada, Belgium, and Italy.

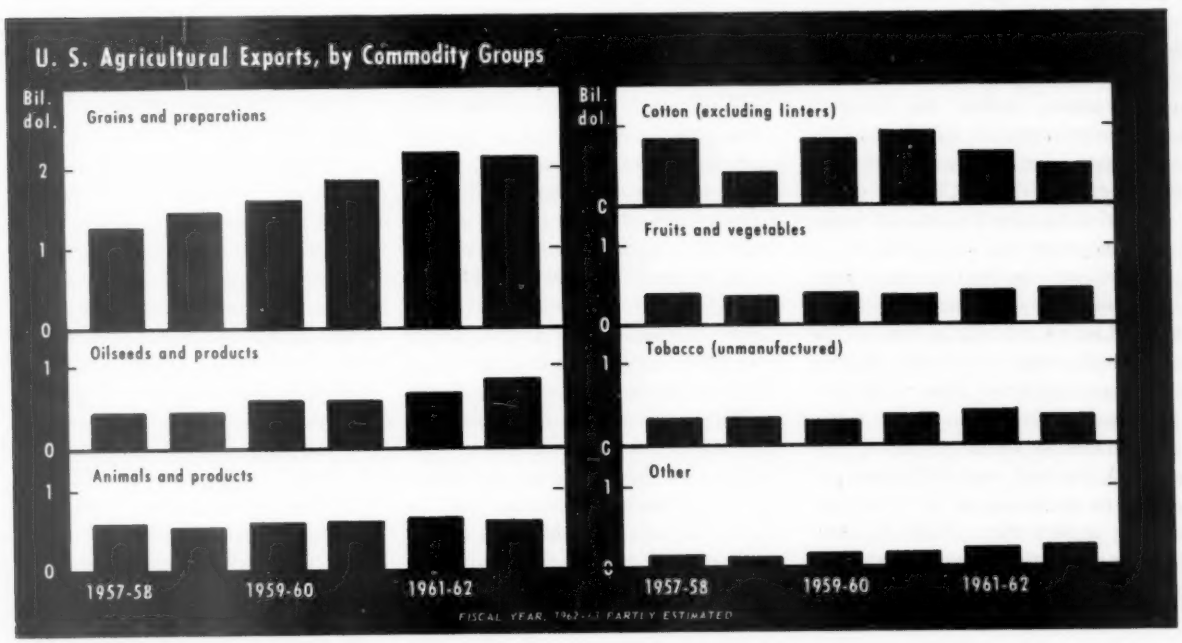
Exports of rice rose 19 percent, totaling 24.2 million bags (milled basis) compared with 20.3 million the year before. Exports to developing areas—especially Asia and to a lesser degree Africa—increased substantially. Exports to Western Europe declined somewhat because of the uncertainty of the EEC's rice program. Principal foreign outlets were India, Indonesia, West Germany, and the British West Indies. About 57 percent of the shipments moved under government programs, mainly Title I.

Oilseeds and products.—U.S. exports of oilseeds and products advanced to a record $778 million from the previous record of $636 million a year earlier. Larger exports of soybeans, protein meal, and soybean oil were responsible. There has been a substantial increase in foreign demand for oilseed products in recent years, resulting from the expanding livestock industry in the industrialized West European countries and Japan and from advances in standards of living in many foreign countries. In addition, U.S. exports in the past year were encouraged by the poor olive crop in the Mediterranean Basin, greater demand for protein meal in Western Europe as a result of the severe winter, and continued small availabilities of soybeans from Communist China. U.S. exports accounted for over a third of world trade in these products.

Soybean exports of 171 million bushels were 24 million above the previous year's record of 147 million. Japan continued to be the top foreign market, taking an estimated 45 million bushels. Japan used about two-thirds of the beans for oil and meal and one-third for food products. The other principal markets were Spain, France, Italy, Denmark, the Netherlands, and Canada. A well-balanced supply and demand situation for U.S. soybeans kept bean prices well above support levels.

U.S. exports of vegetable oils increased to 1,715 million pounds from 1,348 million a year earlier. The figure excludes shipments under USDA donation programs, which are estimated at 124 million pounds in fiscal 1963 and 267 million in 1962. In recent years there has been a substantial increase in demand for U.S. vegetable oils under government-financed programs, mainly under Title

(Continued on page 16)



Cattle, on their way to market, are driven across Nigeria's Benue River.

Central Africa Fights Rinderpest

—with hopes of checking this dread disease

Acutely aware that Africa's economic future depends to a large degree upon its ability to overcome its agricultural problems, three organizations have combined efforts to combat rinderpest—one of the many African cattle diseases which are curbing the development of a livestock industry. By concentrating their efforts on one project, these organizations are proving that Africa's problems are not insurmountable, if tackled systematically.

The U.S. Agency for International Development (AID), the European Economic Community (EEC), and the Committee for Technical Assistance South of the Sahara (CCTA)—an organization composed of several former colonial powers and 23 African republics—selected as their starting point the eradication of rinderpest from the rich Lake Chad cattle area. The large-scale cattle vaccination program they have conducted there in the past year was so successful that it serves as a model for future projects.

AID, the EEC, and CCTA first decided to cooperate on the rinderpest project in May 1961. Until last September, when the vaccination program against this deadly disease was launched, the four countries bordering Lake Chad (Nigeria, Chad, Cameroon, and Niger) had to endure an average of 300 outbreaks of rinderpest each year. In early June, 8 months later, a special Lake Chad rinderpest conference reported that only 25 outbreaks had occurred in the region since the start of the campaign.

Describing the first year's operations as "highly successful" the conference reported that over 9½ million cattle were vaccinated, a figure which exceeded the target goal by nearly 2 million head. Only in a few cases was it necessary to resort to legal action to compel cattle owners to have their total herd vaccinated. In each of the countries 90 percent of the total cattle population was vaccinated.

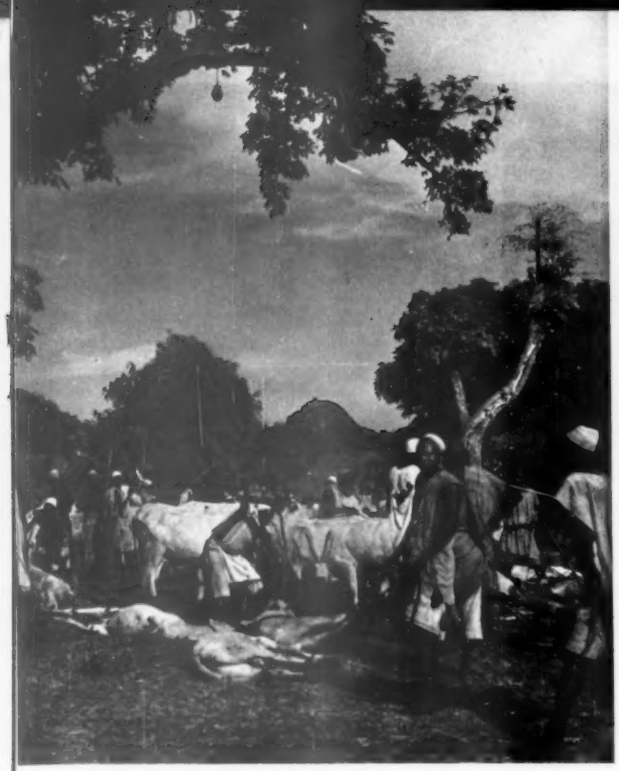
Rinderpest, a highly contagious virus, can kill cattle within 5-10 days after infecting them. As many as 90 percent of the animals in a herd have been known to die from one outbreak.

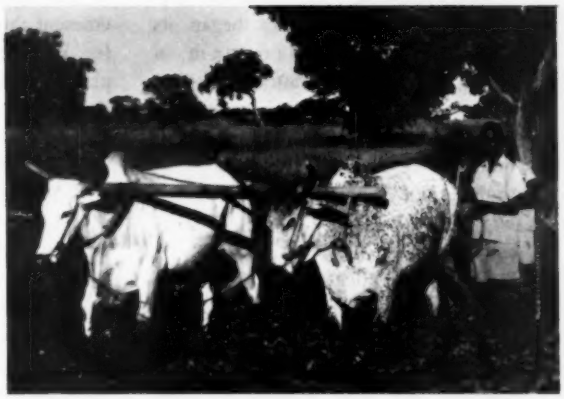
Vaccination against rinderpest gives the cattle lifetime protection. The victims of the disease are ruminants or "cud-chewing" animals, such as cattle, buffalo, and deer. A highly contagious disease, with a swift and high mortality rate, rinderpest is transmitted from animal to animal by contact. The virus attacks the digestive tract, causing severe inflammation and producing lesions in various organs.

Unfortunately, immunization against rinderpest will not stop African cattle from dying of other diseases. Pleuropneumonia, piroplasmosis, anaplasmosis—also prevalent in the Lake Chad region—kill cattle in a slower, less spectacular manner than rinderpest, but are just as deadly. In the outer fringes of the Lake Chad region, the cattle are threatened by trypanosomiasis—a protozoan disease carried by the tsetse fly.

Vaccines against rinderpest and many of the other diseases have existed for years, but the efforts of governments, assistance agencies, and the people in many affected areas have never been efficiently organized to combat this disease until recently. For 15 years France spent considerable money in an effort to control animal diseases, but no positive results were obtained until the CCTA was formed and subsequently joined by AID, the EEC, and the African nations.

The CCTA was established in 1950 and formalized through an international agreement signed in London in 1954. At that time it comprised the





Above, Nigerian rope cattle in preparation for vaccination. Above right, an animal is injected with life-saving anti-rinderpest vaccine. Right, Nigerian students learn to plow with oxen instead of hoes.

Governments of France, the United Kingdom, Belgium, Portugal, and South Africa; 22 other African republics have joined only in recent years.

Recognizing the need for preventing other diseases as well, the three groups originally planned to carry out vaccinations againt contagious bovine pleuropneumonia simultaneously with the rinderpest vaccinations in the Lake Chad area. The task has been so costly, however, that the vaccinations have been conducted at a much slower rate.

Lake Chad, with an area of 8,000 square miles, is the largest lake north of the equator and supports the largest concentration of cattle in north-central Africa. During the rainy season it expands and covers a larger area, but in the dry season it shrinks so that its extended shores provide rich pasturelands. This seasonal expansion and contraction of the lake makes it possible for the four bordering countries to raise about 8 million cattle, a capital investment of roughly $300 million.

Each time the lake recedes, nomadic tribesmen drive their underfed, and often diseased, cattle into the Lake Chad area to take advantage of the seasonal fodder. Once disease is introduced into this region, it spreads rapidly among susceptible animals, infecting and killing them. Those cattle that survive the grazing-land epidemics are then subject to a harder endurance test. When the water in Lake Chad begins to rise, the remaining cattle are driven into even more disease-infested regions which lie outside the Lake Chad area. There they must wander about trying to locate food on sparse, overgrazed plains.

Cattle lose so much weight through exposure to disease and lack of proper pasture that it takes them an average of 7 years to gain enough weight so that they can be sold. The Lake Chad region supplies beef to areas many hundreds of miles further south and west where cattle raising as a result of the tsetse fly is almost impossible. Many cattle that have finally gained enough weight to be driven to marketing centers die on the trails. No land transportation system has yet been developed and airlifting of meat is too expensive.

If an infected animal is sold and slaughtered, its carcass may still carry the disease. Because of this, there is a general ban on the exportation of live animals and carcasses from a rinderpest-infected area to a rinderpest-free area outside Africa.

The successes of the Lake Chad rinderpest project have paved the way for further cattle disease control projects in other areas of Africa. In addition, the joint sponsorship of the program will open other avenues for both Western and African countries to attack similar projects which demand cooperative action in order to be successful. Once the diseases are brought under control, new markets should open up, which are now closed to African cattle. In the meantime, the rinderpest fight goes on.

Soybean Promotion in Egypt Stresses Best Way To Use U.S. Vegetable Oils

Despite its deficit in edible oil, Egypt's first import of U.S. soybean oil in 1959 went into soap and other industrial products. The reason: unfamiliarity with storage, handling, and processing the oil for human consumption.

The following year, when the Soybean Council of America began its market development program in Egypt, providing technical information was the first order of business.

Today, soybean oil is fast taking hold as a foodstuff, and Egypt is sixth largest importer of U.S. soybean oil, as well as the largest of U.S. cottonseed oil.

The Council began by sending U.S. soybean technicians on technical missions to Egypt to advise on handling and storage of soybean oil. The Council has also sponsored trade teams of Egyptian trade and government representatives to the United States, Europe, and the East.

The Soybean Council has participated in the annual Cairo, Mehalla, and Alexandria Exhibitions using such themes as "soybean oil at the service of Egyptian food industries." It presented technical papers at various seminars at the Cairo and Alexandria Universities.

Through the market development program, Egyptian consumers too became familiar with the benefits and uses of U.S. soybean oil.

Produced in 1961 and still being shown in Egypt's theaters is a soybean nutrition film short, "Miracles With Modern Foods." In Arabic it tells how to prepare five complete low-priced meals using soybean oil.

The Council's activities have been widely covered by radio programs, including the Voice of America. Television, newspapers, and magazines have been used by the Council to promote soybean products sales, and to introduce new ways to use soybean oil.

In 1962 the Council estimated that through all promotional media—trade fairs, publications, broadcasts, personal contacts—over 12 million persons have been introduced to U.S. soybean products.

To encourage maximum utilization of U.S. soybean oil, the Egyptian Government during 1962-63 revised prices for imported oil sold to processing plants for manufacture into vegetable shortening. Also, the Ministry of Supply recently approved a proposal initiated by the Council to construct new bulk oil terminals in Alexandria —greatly increasing the country's storage capacity.

Egypt is pressing for increased consumption of soybean oil because of its shortage of edible oils. One-fifth of its fats consumption now comes from imports, the rest being supplied by locally produced cottonseed oil. No significant increase in production is seen. Much of the new land claimed by irrigation from the Aswan High Dam, when completed, will probably not go into cotton.

Meanwhile, the population surge continues at the annual rate of 2 percent. Minimum wages are going up, giving greater purchasing power to consumers. For every pound that per capita consumption of fats rises above the present level, an estimated 12,000-15,000 metric tons of edible oil (or its equivalent in oilseeds) will have to be supplied.

In 1962-63, following a good cotton crop, the deficit is estimated at over 40,000 tons. The United States supplied some 30,000 tons under Title I of P.L. 480 during the first quarter of the marketing year, about half cottonseed, half soybean oil. Prospects for increased exports of vegetable oil to Egypt during 1963-64 appear good, mainly because of a reduced 1963 cottonseed crop, and higher domestic requirements.

Colombia Breeders Ask FAS for Cattle Judges

At the invitation of Colombian livestock men, FAS sent two U.S. experts as judges for the Sixth Agricultural Livestock Exposition and Fair of Medellín, Colombia, August 3-7. Judging Ayrshire entries was Preston Davenport of the Toll Gate Farm at Litchfield, Conn.; Robert E. Strickler, representing the Holstein-Friesian Association of America, judged Holsteins.

Both U.S. experts planned to remain in Colombia after the show. Mr. Davenport will visit present and prospective owners of Ayrshires to answer questions on breed characteristics, prices, and U.S. animals available. Mr. Strickler will officially classify local Holstein herds. In this type of project, the U.S. technician helps the local breeder assess his animals' strong and weak points. The breeder then becomes a better customer for U.S. quality animals.

From 1956 to 1959, Colombia—formerly a large buyer of U.S. dairy cattle—embargoed all livestock imports because of foreign exchange difficulties. With the easing of import restrictions, purchases of U.S. dairy cattle have again moved upward.

American Rice Favorite In Swedish School Test

U.S. long grain rice met favorable reception in a recent experiment conducted by a school system in Sweden. Officials wanted to know if children would accept meat and fish served in a way new to them—with rice.

Boiled European short grain rice, 13,000 portions, was served with fried fish in the first test. Though children liked the combination, the short grain rice—after 2-3 hours of being kept warm for serving—became gummy.

Using U.S. long grain rice, results were good: the long grain rice remained fluffy, took less rinsing.

Doughnut machines, like the one at a Karachi bakery (left), attracted throngs to the Wheat Associates exhibit (above) at Singapore's Happy World Trade Fair.

Doughnuts Stimulate Use Of U.S. Wheat in Far East

Doughnuts—which came to America in the recipe books of early Dutch settlers as "olijkoecks"—are now going to the Far East where the Dutch delicacy is being used to boost U.S. wheat and edible oil sales.

"Operation Doughnut," part of a broad market development program being carried on by Wheat Associates and FAS in the Far East, was begun in 1958 at a trade fair in India. The pastry proved to be so popular that WA obtained two more doughnut-making machines for use at "wheat kitchen" demonstrations. Since then, doughnuts have been a key feature at major fairs in Ceylon, Indonesia, Pakistan, Cambodia, and most recently at the Happy World Exhibition in Singapore last month.

Wheat Associates introduced a late-model doughnut machine at the Singapore show. Lighter and less expensive than the others, its lower cost should encourage purchase by Asian bakeries and thus boost wheat consumption.

Pereiras Bakery in Karachi (above) has borrowed one of WA's doughnut machines for showcase window demonstrations and doughnut sales. Flour for the dough is milled locally and the doughnuts are fried in vanaspati —a combination of soybean and cottonseed oils. Pakistan, Turkey, and Iran use U.S. soybean and cottonseed oils in the manufacture of vanaspati.

Markets To Watch—

El Salvador Is Top Buyer in Central America of U.S. Tallow and Grease

El Salvador is now the largest importer of U.S. grease and tallow in Central America—and looks like being an even better customer in the future.

Fifteen million pounds of these U.S. commodities—valued at $1,039,000—went to El Salvador in 1962. This was 27 percent of total U.S. exports of grease and tallow to the entire Central American area. Only an average of 4.6 million pounds went during the years between 1956 and 1960.

The United States supplies almost all El Salvador's imports of tallow and grease, because both price and quality are competitive and ample quantities are available. Only small amounts come from Costa Rica and Canada.

El Salvador produces little or no inedible tallow and greases and depends on imports to support its growing domestic soap industry. Ninety percent of all imported tallows and greases is used in the production of toilet and laundry soap. Consumption of soap is rising rapidly, and more soap will be used as consumer incomes go up.

Exports of soap to other members of the Central American Free Trade Association are also growing. In 1961, El Salvador's net exports of soap to Guatemala were $175,000, compared to $2,000 in 1960. This trend is expected to continue as CAFTA becomes fully operative.

High tariffs on finished soap have helped to encourage more domestic production and brought about a larger demand for tallow and greases. An added stimulus to soap consumption will undoubtedly be the sale of machinery for small laundries and dry cleaning establishments made in June 1962 at the U.S. Trade Fair in San Salvador. Synthetic detergents have not yet been introduced to any extent.

The import duty on inedible tallows and greases is fairly large—about 30 percent ad valorem. This duty is used more to gain revenue than to protect the domestic tallow and grease industry. Tallow is still a cheap raw material in relation to wholesale or retail prices of soap.

Virtually no tallow is used in livestock feed and little is used for other industrial purposes; but as El Salvador becomes more industrialized and incomes rise appreciably, these other outlets for tallow and grease could assume more importance.

Canada Moves To Increase Wheat Aid Programs

The Canadian Trade Minister Mitchel Sharp has announced that the government will ask Parliament for approval to increase wheat aid to developing countries. It is asking for a program to supply wheat and flour to international agencies, including the U.N. World Food Program; to developing countries that are not commercial markets; and to countries where commercial sales are limited by capacity to pay. Shipments will depend on the recipient country's capacity to absorb wheat and flour, and the program will be administered so as not to interfere either with Canada's commercial sales or with those of competitors. Mr. Sharp said this aid might reach C$40 million annually in a few years and should become a permanent part of the Canadian aid program. Canadian gifts of wheat and flour averaged C$17.8 million annually during 1957-58 to 1961-62, and went mostly to Colombo Plan countries, with smaller quantities going to UNWRA and Chile.

Chilean Lentil Supplies Down, Prices Up

Chile's supply of lentils is reported below normal and prices increasing. Wholesale prices in Santiago in early August this year were $9.75 per hundredweight for 6 millimeter lentils and $11.25 for 7 millimeter, compared with $6.00 and $6.45 respectively in August 1962.

Detailed supply figures are not available, but the reported decline is in keeping with recent history. Chilean lentil acreage, production, and exports have been dropping for several years, as the following figures show:

	Area	Production	Exports
	Acres	*1,000 bags*	*1,000 bags*
1959	100	410	318
1960	91	419	319
1961	85	414	335
1962	77	364	219
1963	78	331	—

U.S. Tobacco Exports Lower in Fiscal 1963

U.S. exports of unmanufactured tobacco in the fiscal year ended June 30, 1963, totaled 474 million pounds (export weight)—down 8.9 percent from the 520 million exported in fiscal 1962. This drop reflects the larger than normal quantity of low-quality leaf in the 1962 flue-cured tobacco crop. Exports of flue-cured dropped from 423.8 million pounds (export weight) in fiscal 1962 to 371.5 million in fiscal 1963.

The total value of fiscal 1963 exports was $378.5 million —down 7 percent from fiscal 1962.

Increases were recorded for burley, Virginia fire-cured, Maryland, Black Fat, and cigar filler. Exports of burley tobacco, at 46.1 million pounds (export weight), were up 18 percent from the 39.1 million exported in fiscal 1962. Virginia fire-cured exports rose from 4.1 million to 5.1 million pounds, and Maryland exports from 10.7 million to 11.4 million. A big drop was recorded, however, in exports of Kentucky-Tennessee fire-cured, which totaled only 17.8 million pounds, compared with 22.4 million in 1962.

TOBACCO, UNMANUFACTURED: U.S. EXPORTS, BY TYPE, FISCAL YEARS ENDED JUNE 30, 1962 AND 1963

(Export weight)

Type	Quantity 1962	Quantity 1963 [1]	Percent change	Value 1962	Value 1963 [1]
	1,000 pounds	*1,000 pounds*	*Percent*	*1,000 dol.*	*1,000 dol.*
Flue-cured	423,778	371,457	—12.3	336,358	303,392
Burley	39,079	46,095	+18.0	32,649	38,495
Dark-fired Ky.-Tenn.	22,376	17,801	—20.4	11,606	9,616
Va. fire-cured [2]	4,101	5,057	+23.3	2,621	3,296
Maryland	10,665	11,391	+ 6.8	8,482	8,767
Green River	674	342	—49.3	355	185
One Sucker	574	547	— 4.7	286	288
Black Fat	3,854	4,096	+ 6.3	3,440	3,610
Cigar wrapper	5,259	4,389	—16.5	9,150	8,228
Cigar binder	1,829	1,073	—49.3	1,322	787
Cigar filler	186	236	+26.9	98	157
Other	7,635	11,470	+50.2	1,122	1,641
Total	520,010	473,954	— 8.9	407,489	378,462

[1] Preliminary. [2] Includes sun-cured.
Bureau of the Census.

France's 1963 Tobacco Harvest Up Slightly

The 1963 tobacco harvest in France is forecast at 89.2 million pounds—somewhat above the 86.8 million harvested last season, but still 26 percent below the 1955-59 annual average of 120.4 million.

Isolated outbreaks of blue mold are reported to have occurred in some producing areas, but effective control measures have kept crop losses at a minimum.

Record Oriental Tobacco Harvest in Prospect

Preliminary estimates place the 1963 world harvest of oriental tobaccos at a record 1,273 million pounds. If the final outturn reaches this figure the harvest would be almost one-fourth larger than the 1962 harvest of 1,032 million and 3 percent above the 1957 high of 1,235 million. If blue mold had not reduced the crops in a number of countries, the total world harvest would have been at least one-third larger than last season.

Forecasts indicate record crops of oriental tobaccos for Bulgaria and the USSR and a near-record crop for Yugoslavia. Record plantings occurred in Lebanon and Iran, but moderate to heavy blue-mold damage will reduce final outturn. Greece's crop will be the second largest in history and Turkey's the third largest; both countries had record plantings. Blue-mold damage was only minor in Greece, while damage in Turkey was extensive.

In Cyprus, the initial outbreak of blue mold brought a heavy crop loss; and in Syria and Israel, its recurrence caused from moderate to heavy damage.

Rhodesian Flue-Cured Prices Still Falling

The average price of 1963-crop flue-cured tobacco sold at Salisbury, Southern Rhodesia, for the 22d week of sales (which ended August 8, 1963) was equivalent to 40.3 U.S. cents per pound. Prices continued to drop from the seasonal high of 60.4 cents recorded in the 12th week.

Total sales through the 22d week amounted to 190.9 million pounds at an average price equivalent to 48.8 U.S. cents per pound. Sales for the same period in 1962 totaled 201.2 million pounds at an average price of 42.1 cents per pound.

Turkey to Increase Filbert Exports

Turkey's First Five Year Plan (1963-67) contains a plan to encourage the production and export of filberts.

According to this plan, production will be increased to enable exports of 55,000 short tons of kernels annually. Kernel exports have averaged 41,500 tons in the 5 years 1955 through 1959, and in the most recent season, 1962-63, they are believed to have amounted to 45,000 tons.

The increase in production would be obtained primarily through better yields; only a 4-percent increase in acreage is envisioned. Better protection against insects and disease, better cultivation, and more extensive use of fertilizer are contemplated.

Production has been trending upward, averaging 99,900 short tons, unshelled, in the 1956-60 period against 90,900 tons during 1952-56. This trend is attributed mainly to better cultural and harvesting practices and to higher prices received by producers in the last few seasons.

Australia's Milk Production Rises

Favorable weather conditions in Australia's principal dairy areas in the first quarter of 1963 caused milk production in that period to rise 5 percent above the comparable 1962 period.

With fluid milk consumption up only about 1 percent and outlets for butter and cheese limited, more and more milk was channeled into the manufacture of other dairy products. As a result, the quantity used for these other purposes was 23 percent above the first quarter of 1962, resulting in marked increases in output of all manufactured dairy products except evaporated milk.

Exports of butter showed a substantial rise from 43 million pounds in January-March 1962 to 56 million in the same 1963 period. Sales to the United Kingdom of 49 million pounds exceeded the earlier year's by 14 million pounds. Sales to several other markets, among them Hong Kong and Peru, were considerably above those for the preceding year, and Italy, not a purchaser in the 1962 period, took 442,000 pounds in the first quarter of 1963.

Cheese exports increased from 16 million pounds to 24 million. Sales to the United Kingdom were 15 million pounds, compared with 13 million in the first quarter of last year; and sales to the United States were almost 3 million pounds, compared with 269,000. Larger shipments also went to Western Europe, particularly to Portugal, Italy, and West Germany. More than a million pounds was shipped under a low-price plan to Japan for its school lunch program.

Condensed milk exports in the first quarter of 1963 totaled 19 million pounds. Most of these went to Malaya and Burma, which took approximately 8 million pounds each; Thailand took 1 million.

Sales of evaporated milk increased to slightly over 1 million pounds, which went mostly to Singapore, Malaya, and the Philippines.

Nonfat dry milk shipments rose from 7 million pounds to 16 million, about half of which went to India. Substantial increases were also reported in sales to the United Kingdom, the Philippines, and the Federation of Rhodesia and Nyasaland.

Dry whole milk sales declined to 3 million pounds from almost 5 million last year, mostly because of smaller sales to Ceylon, Malaya, and Singapore.

The Dairy Produce Board is continuing its efforts to find new outlets for Australia's dairy products, giving special attention to southeast Asia and the Far East.

Philippines Exports More Copra, Coconut Oil

Recorded copra and coconut oil exports of the Philippines in January-July, as compiled from monthly data on registered shipments, totaled 459,190 and 109,667 long tons, respectively. Exports in the comparable period of 1962 amounted to 398,435 tons for copra and 51,442 tons for coconut oil.

On an oil equivalent basis, the combined exports amounted to 398,957 tons in the first 7 months of 1963, compared with 302,456 tons in the same period of 1962 —an increase of 32 percent.

U.S. Exports of Soybeans, Edible Oils, Meals

In June, U.S. exports of soybeans and cakes and meals increased from the previous month. Cumulative exports for the first three quarters of the 1962-63 marketing year (October-June) were up sharply from the comparable 1961-62 period; those of soybeans alone already approached the total 1961-62 figure. Both for June and for October-June, however, exports of edible oils declined.

Soybean exports in June, at 15.6 million bushels, were up one-third from May. Cumulative exports in October-June, at 147.2 million, were 14 percent above the same period last year. Major destinations for U.S. soybeans in June and their percentages of the total were Canada 31, Japan 24, West Germany 9, the Netherlands 8, Denmark 7, and Italy 6. Of Canada's total, a sizable but undetermined portion was probably in storage or transit along the St. Lawrence Seaway, destined for Western Europe.

June exports of *edible oil* (soybean and cottonseed), at 94.6 million pounds, dropped sharply. Cumulative shipments through June, at nearly 1.2 billion, were down 3 percent, and foreign donations under Title III of Public Law 480 were only 8 percent of this total, compared with 18 percent in 1961-62.

Soybean oil exports in June, at 78.3 million pounds, declined by about 30 percent. Major destinations in June

and percentages were Spain 43, Turkey 27, Yugoslavia 6, Hong Kong 5, and Israel 4. Cumulative shipments rose 3 percent.

Cottonseed oil exports of 16.3 million pounds in June amounted to only one-fourth of those in May, partly reflecting a decline in foreign donations. Cumulative exports declined one-sixth.

U.S. *cake and meal* exports in June increased by 5 percent to 145,000 short tons, and cumulative exports by 50 percent.

Soybean meal accounted for almost all of the June shipments. Destination of shipments and percentages of the total were Italy 18, Canada 16, France 14, Belgium 13, Denmark 12, Netherlands 10.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS, JUNE 1963

Item	Unit	June		October-June	
		1962 [1]	1963 [1]	1961-62 [1]	1962-63 [1]
Soybeans	Mil. bu.	11.9	15.6	129.3	147.2
Oil equiv.	Mil. lb.	130.8	171.4	1,419.8	1,615.7
Meal equiv.	1,000 tons	279.9	366.8	3,038.7	3,458.1
Edible oils:					
Soybean:					
Commercial [2]	Mil. lb.	165.5	77.7	705.4	[3] 816.6
Foreign donations [4]	do	8.9	.6	150.8	65.1
Cottonseed:					
Commercial [2]	do	37.3	16.2	313.2	287.9
Foreign donations [4]	do	2.3	.1	68.7	27.7
Total oils	do	214.0	94.6	1,238.1	1,197.3
Cakes, meals:					
Soybean	1,000 tons	89.6	142.3	847.0	1,174.6
Cottonseed	do	—	.1	2.9	73.5
Linseed	do	—	2.5	11.7	37.2
Total cakes and meals [5]	do	89.7	145.0	861.8	1,294.8

[1] Preliminary. [2] Includes Title I, II, and IV, P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Includes 32,855,509 pounds exported to Spain in January, but returned without being discharged. [4] Title III, P.L. 480. [5] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from records of the Bureau of the Census and USDA.

Nigeria Purchases More Palm Oil, Palm Kernels

The Regional Marketing Boards in the Federation of Nigeria purchased 119,943 long tons of all grades of palm oil from January 4 through August 17, 1963. Through August 23, 1962, they had bought 114,908.

Palm kernel purchases by the Marketing Boards through August 17, 1963, totaled 253,979 tons. Purchases through August 23, 1962, had amounted to 248,056.

Suez Canal Shipments Decline in June

The volume of oil-bearing material shipments northbound through the Suez Canal in June was 7 percent below that of May (see *Foreign Agriculture*, July 29, 1963) but 13 percent above that of June 1962.

Total shipments in October-June were 11 percent greater in the current U.S. marketing year. Continued increases were registered in shipments of cottonseed—54 percent; peanuts—45 percent; and castor beans—44 percent. Copra shipments rose 20 percent. These increases more than balanced declines of 63 percent in soybean shipments, and of 21 percent in palm kernel shipments. Flaxseed shipments were down 8 percent.

OIL-BEARING MATERIALS: SUEZ CANAL, NORTHBOUND SHIPMENTS BY KIND, JUNE 1963, WITH COMPARISONS

Item	June		October-June	
	1962	1963	1961-62	1962-63
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans [1]	44	197	142,593	52,083
Copra	34,380	49,462	437,680	525,985
Peanuts	11,631	11,060	144,748	209,918
Cottonseed	13,267	7,809	111,818	172,401
Flaxseed [2]	2,878	2,231	33,698	31,044
Castor beans	4,143	7,201	31,723	45,713
Palm kernels	3,065	2,282	26,530	20,913
Other	7,183	6,324	121,907	107,201
Total	76,591	86,566	1,050,697	1,165,258

[1] 1 metric ton of soybeans equals 36.743333 bushels.
[2] 1 metric ton of flaxseed equals 39.367857 bushels.
Suez Canal Authority, Cairo, Egypt.

The small volume of soybean shipments in June—only 7,000 bushels—bears continued witness to the relatively small export availabilities from Mainland China and their diversion to the Japanese market.

SOYBEANS: SUEZ CANAL, NORTHBOUND SHIPMENTS APRIL, MAY, JUNE, AND QUARTERLY TOTALS, 1958-62

Month and quarter	Year beginning October 1				
	1958	1959	1960	1961	1962
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
April	2,756	4,556	441	231	566
May	2,792	2,866	184	6	0
June	4,152	1,213	588	2	7
October-December	4,189	8,598	919	919	12
January-March	10,435	13,999	6,062	4,082	1,328
April-June	9,700	8,635	1,213	239	573
July-September	5,879	2,756	2,756	327	——
October-September	30,203	33,988	10,950	5,567	——

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

U.S. Meat Imports Continue Above 1962

U.S. imports of nearly all types of red meat were higher in the first 6 months of 1963 than during the same period in 1962. Beef and veal imports, at 491 million pounds, were 21 percent above the first half of last year; the major beef item (boneless) was 20 percent above the previous year at 407 million.

Pork imports for the first 6 months were up about 3 percent, with a 6 percent gain in canned ham imports being partially offset by declines in other types of pork.

Imports of both mutton and lamb were up sharply in the month of June and for the first 6 months showed increases of 18 and 95 percent, respectively.

Although wool imports showed some decline in the month of June, total dutiable and duty-free wools were 15 percent higher for the January-June period.

There was some increase in imports of bovine hides and skins in June; however, imports for the first 6 months were generally below last year. Sheep and lamb and goat and kid skin imports continued below the previous year in June and in the first 6 months. Both Morocco

and India have placed restrictions on the exportation of certain types of goat skins.

Imports of live cattle were down sharply in June, but for the year as a whole thus far, are down just 3 percent.

LIVESTOCK PRODUCTS: U.S. IMPORTS OF SELECTED ITEMS, JUNE 1963, WITH COMPARISONS

Commodity	June		Jan.-June	
	1962	1963	1962	1963
Red meats:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Beef & veal:				
Fresh and frozen, bone-in	1,220	1,136	7,830	9,571
Fresh & frozen, boneless	57,485	68,502	339,660	407,339
Canned, including corned	9,306	7,435	36,799	51,846
Pickled & cured	74	67	301	288
Veal, fresh & frozen	991	1,437	9,244	9,148
Other meats [1]	3,055	1,585	13,364	12,915
Total beef & veal	72,131	80,162	407,198	491,107
Pork:				
Hams & shoulders	12,148	9,392	66,093	70,297
Other pork [2]	5,629	5,070	38,182	37,189
Total pork	17,777	14,462	104,275	107,486
Mutton	2,517	4,912	35,342	41,677
Lamb	445	1,170	5,597	10,894
Total red meat	92,870	100,706	552,412	651,164
Variety meats	136	169	1,065	1,236
Wool (clean basis)				
Dutiable	8,800	8,376	66,168	69,290
Duty-free	13,164	11,160	65,867	83,185
Total wool	21,964	19,536	132,035	152,475
Hides & skins:	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	23	40	297	207
Calf	106	118	347	383
Buffalo	34	49	438	323
Kip	54	95	369	553
Sheep & lamb	2,782	1,608	19,160	15,571
Goat & kid	1,278	1,127	8,165	7,541
Horse	55	58	289	245
Pig	58	20	868	534
Live cattle (number) [3]	*Number* 45,521	*Number* 32,394	*Number* 537,753	*Number* 520,951

[1] Other meat, canned, prepared or preserved. [2] Fresh or frozen; hams, shoulders, bacon not cooked; sausage, except fresh; prepared and preserved. [3] Includes cattle for breeding.
U.S. Department of Commerce.

Irish Exports of Meat Higher

In the second quarter of 1963, 57,384 Irish cattle were slaughtered for export, compared with 50,549 for the same period last year. The major markets for this beef were Italy, Germany, Switzerland, and France. Exports to Great Britain were down and those to the United States were relatively low because of a seasonal shortage of lower grade cows and steers. Countries on the Continent are providing a larger market for the types of beef which are available from Ireland at this time.

Japan Searching for Pork Imports

The Japanese Ministry of Agriculture reports that Japan is making preparations for emergency imports of pork to curtail rising retail prices. If possible, Taiwan and South Korea will provide 1,500 tons in the near future—part of the authorized imports of 3,000 tons. The other 1,500 tons has already been shipped from the United States.

Japanese officials are now in South Korea to examine animal disease prevention and eradication measures and to inquire into the possibility of obtaining supplies. Two other Japanese officials are in Taiwan on a similar fact-finding tour.

U.K. Lard Imports Up 9 Percent in 1963

U.K. lard imports rose 9 percent in the first 6 months of 1963, totaling 245 million pounds, compared with 224 million in the same period last year. Of this total, the United States supplied 201 million pounds—accounting for 82 percent of the market—about average for the last several years. Imports from EEC countries totaled almost 30 million pounds, unchanged from the previous year.

During June, U.K. lard imports were 50.2 million pounds, with 44.2 million (88 percent) from the United States.

LARD: U.K. IMPORTS BY COUNTRY OF ORIGIN, JANUARY-JUNE, 1962 AND 1963

Country of origin	Jan.-June 1962		Jan.-June 1963	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	175,713	78.3	201,482	82.3
France	12,572	5.6	11,902	4.9
Germany, West	4,713	2.1	7,655	3.2
Denmark	6,643	3.0	7,629	3.1
Belgium	9,375	4.2	7,148	2.9
Poland	9,710	4.3	3,197	1.3
Netherlands	2,966	1.3	2,863	1.2
Sweden	2,037	.9	2,560	1.0
Other countries	571	.3	352	.1
Total	224,300	100.0	244,788	100.0

Henry A. Lane & Co., Ltd.

Mexico Prohibits Imports of Hides and Skins

On August 2, 1963, the Mexican Government announced that until further notice it would prohibit the importation of untanned cattle hides and skins, either fresh or dried. This move is a spur to efforts to reach the Mexican livestock industry's goal of self-sufficiency in livestock byproducts.

The United States was the leading supplier of cattle hides and calf skins to Mexico in 1962, with $3.7 million worth. In the first 6 months of 1963, U.S. exports of cattle hides and calf skins to Mexico were $1.8 million. Other suppliers were the United Kingdom, Canada, and West Germany.

Switzerland Imports More Honey

Imports of honey into Switzerland in 1962 amounted to 7.1 million pounds, compared with 5.6 million in 1961. The main suppliers were Mexico, Guatemala, and the United States, with Mexico supplying two-thirds of this total.

Swiss honey production in 1962, reduced below normal by unfavorable weather, totaled about 1.3 million pounds. Production for 1963 is expected to be somewhat higher.

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U.S. Farm Exports Again Near Record

(Continued from page 7)

I of P.L. 480. It is estimated that in fiscal 1963 about 40 percent of all vegetable oils moved under government-financed programs. However, the off-year low-level production of olive oil in the Mediterranean Basin stimulated important dollar sales to countries in Europe.

Exports of protein meal increased to a record 1.6 million tons, exceeding the record of 1.0 million the year before. Nearly all these exports went to Western Europe, where an expanding livestock industry and emphasis on efficiency in livestock production have increased the demand for highly concentrated feeds.

Tobacco.—U.S. exports of unmanufactured tobacco declined 9 percent to 474 million pounds (export weight), compared with 520 million a year earlier. The decline resulted from larger than normal production of low-quality leaf in the United States. In addition, the United States met increased competition in the principal tobacco markets of Western Europe from other producing countries. Exports to the United Kingdom, Switzerland, Canada, and Thailand were down sharply. Shipments under government-financed programs decreased to 49 million pounds from 105 million a year earlier. About 27.4 million pounds of tobacco from pre-1956 crops were sold from government stocks at competitive-bid prices for export in fiscal 1963.

Vegetables and preparations.—Exports of vegetables and preparations advanced to a record $165 million from $136 million a year earlier. Large quantities of U.S. fresh vegetables and potatoes were imported by European countries in January and February to supplement local output, reduced by a severe winter. Lower bean production in a number of countries in Europe and Latin America led to a substantial increase in U.S. exports of edible beans to these areas. In addition, there were increased shipments of U.S. edible beans under government-financed programs, especially to Latin America in connection with the Alliance for Progress program. Except for dried edible beans, nearly all exports of vegetables and preparations were commercial sales for dollars. Canada was chief outlet, taking a third of the total and three-fourths of the fresh vegetables.

WORLD CROPS AND MARKETS INDEX

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Grains, Feeds, Pulses, and Seeds
12 Canada Moves To Increase Wheat Aid Programs
12 Chilean Lentil Supplies Down, Prices Up

Livestock and Meat Products
14 U.S. Meat Imports Continue Above 1962
15 Irish Exports of Meat Higher
15 Japan Searching for Pork Imports
15 U.K. Lard Imports Up 9 Percent in 1963
15 Mexico Prohibits Imports of Hides and Skins

Sugar, Fibers, and Tropical Products
15 Switzerland Imports More Honey

Tobacco
12 U.S. Tobacco Exports Lower in Fiscal 1963
12 France's 1963 Tobacco Harvest Up Slightly
12 Record Oriental Tobacco Harvest in Prospect
13 Rhodesian Flue-Cured Prices Still Falling

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